

Job Special Session Public Hearing – October 20, 2011

HELLO. MY NAME IS THOMAS PHILLIPS AND I AM SPEAKING TO YOU TODAY AS A REPRESENTATIVE OF THE CONNECTICUT WORKFORCE DEVELOPMENT COUNCIL COMPRISED OF THE STATE'S FIVE WORKFORCE INVESTMENT BOARDS. AS WE NEAR THE SPECIAL JOBS SESSION, WE WISH TO REINFORCE THE IMPORTANCE OF THE "SUPPLY SIDE" OF THE JOB CREATION EQUATION – THE WORKFORCE. GIVEN THE IMPERATIVE TO CREATE AND INCREASE JOB OPPORTUNITIES FOR CONNECTICUT RESIDENTS, WE SUGGEST EMPLOYMENT AND TRAINING STRATEGIES SHOULD ALSO BE A PRIORITY IN THE JOB CREATION AGENDA TO BE EFFECTIVE AT PUTTING CONNECTICUT'S UNEMPLOYED BACK TO WORK, PAYING TAXES, BUYING GOODS AND SERVICES AND PROVIDING BUSINESSES WITH THE QUALITY JOBS NEEDED FOR ECONOMIC GROWTH.

THERE ARE SIX RECOMMENDATIONS WE HOPE ARE ADDRESSED:

- 1) **INCUMBENT WORKER TRAINING** – INCUMBENT WORKER TRAINING RESOURCES HELP EMPLOYERS UPGRADE THE SKILLS OF THEIR CURRENT EMPLOYEES USING A 50%/50% MATCH. THESE RESOURCES ARE AN IMPORTANT INVESTMENT IN HELPING TO RETAIN BUSINESSES AND KEEP THEM COMPETITIVE AND REDUCE JOB LOSSES. CURRENTLY \$475,000 IN STATE FUNDS IS ALLOCATED FOR THIS. CONSIDERING THAT OUR NEIGHBORING STATE OF RHODE ISLAND INVESTS \$1.7 MILLION IN THIS EFFORT AND MASSACHUSETTS A WHOPPING \$19.9 MILLION, WE THINK CONNECTICUT CAN DO BETTER TO INVEST IN ITS CURRENT WORKFORCE.
- 2) **ADVANCED MANUFACTURING AND HEALTH CARE** – SIGNIFICANT JOB TRAINING FOR THE UNEMPLOYED AND UNDEREMPLOYED IS CRITICAL IN THESE SECTORS WHERE JOBS CURRENTLY EXIST. CONNECTICUT'S WORKFORCE BOARDS HAVE BOTH SHORT AND LONG TERM STRATEGIES THAT WILL PUT 600 ADDITIONAL PEOPLE BACK TO WORK.
- 3) **THE LONG-TERM UNEMPLOYED – UI EXHAUSTEES (99ERS), VETERANS, EX-OFFENDERS** – AN IMPERATIVE EXISTS TO ADDRESS THIS INCREASING POPULATION ESTIMATED TO REACH OVER 110,000 STATEWIDE BY YEAR END, AND WE CAN DO SO USING THE CTWORKS ONE-STOP SYSTEM AND EXISTING WORKFORCE DEVELOPMENT

INFRASTRUCTURE. AN INVESTMENT OF \$8.5 MILLION WOULD TRAIN AND RE-EMPLOY UP TO 1,500 UI EXHAUSTEES, VETERANS AND EX-OFFENDERS.

- 4) **ADULT LITERACY** – CONNECTICUT HAS SIGNIFICANT LOW ADULT LITERACY RATES. THE STATE'S WORKFORCE INVESTMENT BOARDS EACH HAVE PLANS IN PLACE TO ASSIST WITH PROGRAMS LIKE THE INTEGRATED BASIC EDUCATION AND SKILLS TRAINING (I-BEST) MODEL. FURTHER INVESTMENT IN THIS AREA COULD HELP EXPAND TRAINING IN PREPARING LOW WAGE, LOW SKILLED WORKERS FOR JOBS.

THE TWO OTHER AREAS WE HOPE ARE FOCUSED ON EITHER IN THIS SPECIAL SESSION OR IN THE 2012 GENERAL ASSEMBLY REGULAR SESSION ARE:

- 1) **SUBSIDIZED EMPLOYMENT OPPORTUNITIES** – PRESENTLY THERE ARE MORE THAN 9,000 TEMPORARY FAMILY ASSISTANCE (TFA) PARTICIPANTS WITH FAMILIES IN CONNECTICUT WHOSE CASH BENEFITS ARE TIME LIMITED AND THESE BENEFITS FOR MORE THAN HALF OF THEM EXPIRE IN LESS THAN A YEAR. WE NEED TO REINSTATE LAST YEAR'S SUCCESSFUL PILOT PROGRAM AND MAKE IT PERMANENT.
- 2) **STATE YOUTH EMPLOYMENT PROGRAM** – OVER THE PAST FEW YEARS, ABOUT 7,000, 14-24 YEAR OLDS WERE GIVEN WORK-BASED EMPLOYMENT, BUT LAST YEAR, WE ONLY HAD ENOUGH FUNDING FOR JUST OVER 4,000 YOUTHS STATEWIDE AND COULD NOT SERVE THE OUT OF SCHOOL YOUTH POPULATION. WE HOPE THE STATE WILL RESTORE THIS PROGRAM TO THE 2009 LEVEL OF \$5 MILLION AS EACH YEAR THE PROGRAM HAS PROVEN TO INCREASE SCHOOL RETENTION AND GRADUATION RATES.

THESE STRATEGIES ARE ALL CONSISTENT WITH THE STATE'S EMERGING JOB CREATION PRIORITIES AND THEY DETAIL HOW THE CURRENT WORKFORCE DEVELOPMENT SYSTEM CAN BE ENHANCED AND EXPANDED TO EVEN MORE EFFECTIVELY ADDRESS THESE NEEDS, RESULTING IN BETTER WORKFORCE SUPPLY FOR THE STATE'S BUSINESSES AND IN GETTING THE LONG-TERM UNEMPLOYED "BACK TO WORK." WE HOPE YOU WILL GIVE THESE RECOMMENDATIONS SERIOUS CONSIDERATION.



Legislative Priorities for Connecticut General Assembly Special Session

The following proposed statewide legislative priorities summarized below have been developed by the Connecticut Workforce Development Council (CWDC) for consideration at the upcoming Special General Assembly Session, to meet the current employment and training needs of employers and job seekers in the current fiscal year. In the last section, two additional legislative priorities are also listed for the *Regular* General Assembly 2012 Session. More detailed information is available for all recommendations.

General Assembly Special Session Priorities

1. Increase State Support for Incumbent Worker Training

Background & Summary: Incumbent worker training resources help to meet the near-term workforce needs of employers by upgrading the skills of current employees to be able to perform new tasks and increase their productivity. With employers receiving a 50% match, these resources are an important investment in helping to retain businesses and keep them competitive and reduce job losses especially in the advanced manufacturing, health care and construction/green jobs sectors.

Request: Currently \$475,000 in state resources is dedicated to incumbent worker training. An updated investment strategy should be considered as a priority with an **additional \$5.0 million** statewide.

Results and Impact: It is anticipated that the incumbent worker training for the various job growth sectors will provide job training and skills development for a number of individuals in these critical business sectors. Several thousand incumbent workers could be served throughout the state, with several hundred businesses benefitting with a strengthened workforce.

2. Advanced Manufacturing & Health Care Job Training Program

Background & Summary: Connecticut Workforce Investment Boards have developed strategies to support manufacturers' needs and for individuals with advanced manufacturing skills, with similar models for the health care sector. The short-term need for additional *substantive job training* is critical to meeting the skills gaps to the present job openings in these sectors. Long-term, the initiative will implement a pipeline strategy to increase the number of trained workers in manufacturing and health care careers. Where jobs are currently available, Workforce Investment Boards will utilize advanced manufacturing employment/training strategies to ensure that individuals acquire their NIMS certification (where appropriate), stackable credentials, as well as supporting the DO IT- DREAM IT programming and the Work-Keys Career Readiness certification.

Request: Provide \$3 million statewide to implement a comprehensive advanced manufacturing and health care sector *job training program* that will address current job openings in advanced manufacturing and health care sectors.

Results and Impact: This dollar investment will put 600 Connecticut individuals back to work, paying taxes, and meeting the needs of advanced manufacturers and health care employers to grow and create new jobs. There will be a reduced dependency on public expenditures for UI and dislocated workers, thus a resulting savings to publically funded safety net programs. In addition, tax revenues will increase and the state's economy will be stimulated through increased purchases of goods and services.

3. Enhanced Services to the Long-Term Unemployed: UI Exhaustees ("99 ers"), Veterans, Ex-Offenders

Background & Summary: An imperative exists to invest in an immediate set of strategies that coordinate, enhance and build off of the **CTWorks One-Stop System** and existing workforce development strategies to get Connecticut residents back to work, paying taxes, and meeting the need for businesses to grow and create new jobs. The initial focus will be on the *'99er UI exhaustees.'*

Request: \$8.5 million statewide is needed in new public/private investments to support a combination of more comprehensive and enhanced critical **CTWorks** services, and strengthen delivery and coordination of services to the *long term* unemployed.

Results and Impact: This statewide investment will provide enhanced services to additional *long-term* unemployed individuals with a 70% job placement in jobs at self-sufficiency. *The overall result will be increased jobs, increased wages, stabilizing and increasing labor force participation, increased local consumption and a stabilized and growing tax base.* The goal of these actions is the re-employing of up to 1,500 UI exhaustees, veterans and ex-offenders.

4. Adult Literacy

Background & Summary: The significantly low adult literacy rates continue to cause great concern in Connecticut where businesses need adults to have higher education degrees and/or post-secondary advanced credentials. Connecticut Workforce Investment Boards are working to rebuild the system, with a major initiative that centers on a combined transition to college and integrated basic education and skills training model that incorporates such concepts as the I-BEST model.

Request: \$1.5 million statewide for an Integrated Basic Education and Skills Training (I-BEST) to align with the Jobs Funnel, Advanced Manufacturing and Health Care sectors. It is anticipated that these new funds will also further reform the present state funding allocation system to have more effective alignment of existing resources sufficient to offset the need for additional resources in future years.

Results and Impact: It is anticipated that the I-BEST program's expansion to the sectors of construction trades and advanced manufacturing will provide job training and basic skills development for a number of unemployed and underemployed individuals in these critical business sectors. This investment will get 150 Connecticut individuals back to work, paying taxes, and meeting the need of businesses to grow and create new jobs.

General Assembly Regular Session Priorities

The following legislative priorities are listed for the Regular General Assembly 2012 Session whereby it is anticipated these additional priorities, acting in concert with those priorities enacted in the Special Assembly Session, will further accelerate and support job growth in the State of Connecticut.

1. Subsidized Employment Opportunities

Background & Summary: Presently there are more than 9,000 Temporary Family Assistance (TFA) participants with families in Connecticut, whose cash benefits are time limited and these benefits will expire in less than a year for more than half. A major effective jobs strategy, *subsidized employment supports*, is not available to transition TFA participants into jobs. The *subsidized employment program* piloted two years ago with TANF Supplemental funds demonstrated strong results, where participants had very positive 'completion' rates and businesses prospered.

Request: Reinstate the TANF Supplemental Funded *Subsidized Employment Program* as a permanent TANF/JFES program of \$4 million statewide. This would provide services for unemployed TANF individuals.

Results and Impact: This \$4 million investment will put 750 TANF individuals to work, paying taxes, and meeting the needs of businesses to grow and create new jobs. It is expected that this will increase the participation rates of TANF participants increasing the options for additional TANF incentive funds. In addition, many small businesses will avoid going under and possibly hire these individuals as permanent employees.

2. State Youth Employment Program

Background & Summary: Over past few years about 7,000, 14 – 24 year olds were given work-based employment opportunities for the summer and year round. Workforce Boards were able to provide these services, primarily through Federal ARRA, and State funding – most of which has since been either eliminated or reduced. While Workforce Boards leveraged this funding with municipal and foundation support, this year we were only able to provide opportunities for around 4,000 young people, and the funding did not support the out-of-school disconnected youth population.

Request: Restore the State Youth Employment Program to \$5 million statewide (FY09 level), with options for expanding youth employment opportunities and supporting pre-July advanced funding for start-up to enable appropriate planning and implementation.

Results and Impact: Continue to build on the momentum of improving school retention and graduation rates as well as improving key career competency gains in computer literacy, basic skills, customer service aptitude and more. An additional 1,000 youths statewide would participate in youth employment programs, including out-of-school youths.

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